

the urban fight" and "was used to engage both vehicular and personnel targets out to 1,400 meters." It continued, "Soldiers not only appreciated the range and accuracy but also the target effect. Leaders and scouts viewed the effect of the .50-cal. round as a combat multiplier due to the psychological impact on other combatants that viewed the destruction of the target."

Fifty caliber sniper rifles are sold not only to military buyers, they are also available to private individuals in the United States. Under current law, .50 caliber sniper rifles nearly identical to those described in the Army's report can be purchased by private individuals with only minimal Federal regulation. In fact, these dangerous weapons are treated the same as other long rifles including shotguns, hunting rifles, and smaller target rifles.

I am a cosponsor of the Fifty-Caliber Sniper Weapon Regulation Act introduced by Senator FEINSTEIN, D-CA. This bill would reclassify .50 caliber rifles under the National Firearms Act, NFA, treating them the same as other high powered or especially lethal firearms like machine guns and sawed off shotguns. Among other things, reclassification of .50 caliber sniper rifles under the NFA would subject them to new registration requirements. Future transfers or sales of .50 caliber sniper rifles would have to be conducted through a licensed dealer with an accompanying background check. In addition, the rifle being sold would have to be registered with Federal authorities.

Adoption of the common sense Fifty-Caliber Sniper Weapon Regulation Act would help to ensure that these dangerous weapons are not obtained by terrorists and used against innocent Americans. We can, and must, do more to help keep military style firearms out of the hands of potential terrorists.

RURAL WATER SUPPLY ACT OF 2005

Mr. BURNS. Mr. President, today, I join my colleagues Senator DOMENICI, BENNETT, DORGAN, MURKOWSKI, BINGAMAN, JOHNSON, and SALAZAR, in support of S. 895, the Rural Water Supply Act of 2005.

The Rural Water Supply Act directs the Secretary of the Interior to develop a program that ensures that a basic need—the need for a clean, safe, affordable, and reliable water supply—is not neglected. Overall, the bill will guarantee that the Bureau of Reclamation has sufficient authority to address the unique needs of rural and small communities in the West, and it will do so in a manner that respects the States' primary role in water resources management.

The U.S. Census Bureau cites that 46 percent of Montanans lived in rural areas in 2000. These people and others in Western States deserve a safe, affordable, and reliable water supply—an essential component of a healthy life.

I look forward to working with my Senate colleagues to pass this important piece of legislation for not only Montanans but for all rural citizens in Western States.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

A gay man reported that an unknown man began to choke him and verbally harass him using antigay slurs while riding a train in Brooklyn. The assailant ran out of the train at the next station following the attack.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

EASING THE CRISIS IN HEALTH INSURANCE

Mr. ENZI. President, I rise today to speak to the ever worsening crisis of cost, coverage, and confidence in our health insurance system, but, more importantly, to outline what I believe to be several positive steps we can take in the near term toward relieving an impasse that has long stalled progress toward relief.

As I speak today, we are nearing almost 5 years of double-digit growth in health insurance premiums—increases that have repeatedly exceeded more than five times the rate of inflation. Since 2000, for example, group premiums for family coverage have grown nearly 60 percent, compared to an underlying inflation rate of 9.7 percent over the same period.

Not surprisingly, those hardest hit are America's small businesses and those individuals outside of employer-provided insurance. These are the ones with the least market leverage and the weakest ability to pool risk. Already, among the very smallest of our businesses, those with fewer than 10 employees, only 52 percent offer coverage to their employees.

Mr. President, I am a realist. The most fundamental drivers of health care costs are ones that defy near-term solutions. These drivers include advances in costly medical treatments, Americans' continuing appetite for such treatments, lack of transparency in pricing, and an antiquated third-party payment system that insulates

consumers from seeing the true cost of care they receive.

To take just one example, I—like many of my colleagues—would strongly support shifting much of our current tax subsidy of health insurance away from the employer and toward the individual. However, I fully recognize that any change on such a scale is, at best, years away.

And yet, like most Members in this body, I am hearing an ever growing chorus of concern from my constituents about health insurance—and most especially from small businesses.

America's families and small businesses don't want us to wait for the perfect solution or the perfect moment. They need real help, and they need it now.

Recognizing this increasing concern, and as the new Chairman of the Senate's Health, Education, Labor and Pensions Committee, I have made it a priority in recent months to seek the counsel of stakeholders, citizens, experts, and fellow Members of Congress on how we might come together on a package of insurance reforms we can realistically hope to enact in this Congress.

The most visible proposal now on the table—at least for the small group market—is the approach known as association health plans, or AHPs. Under this proposal, which was introduced in this Congress by Senators SNOWE and TALENT, qualifying trade associations would be permitted to band together their members for purposes of offering health coverage.

Association health plans hold significant promise—particularly in the pooling of risk, economies of scale, and market clout they could lend to thousands of small businesses.

At the same time, however, the AHP bills in their current form may also go too far in allowing some association plans to play by a separate set of rules than those governing the rest of the small group insurance marketplace, thereby tempting adverse selection and market disruption. Another concern is the fact that the current AHP proposals would shift primary oversight over many association plans away from States and move it to the Federal Government.

Regrettably, debate over these AHP pros and cons has hardened into a political and stakeholder stalemate—a stalemate that has helped block constructive action on new insurance reform for nearly a decade.

It is time we reached an end to this impasse.

Toward this end, I appreciate the hard work of Senators SNOWE and TALENT and other AHP proponents in working with me on possible compromise approaches. And similarly, I am encouraged by what appears to be a growing pragmatic spirit among traditional AHP critics such as insurers and State regulators.

Meanwhile, other of my colleagues, such as Senator DEMINT and Senators

DURBIN and LINCOLN, have also come forward with serious contributions to the discussion.

I look forward to working with my colleagues of both parties, as well as with key stakeholders, in putting forward a full proposal for consideration by the HELP Committee and by the Senate.

However, as we move forward with this process, I want to pause today to identify certain foundation principles and reform components I believe should guide the direction we pursue:

No. 1, association-based plans should have the opportunity to harness the advantage of independent pooling and play a commercially meaningful role in the coverage marketplace—and if that puts market pressure on insurers, so much the better. At the same time, however, the coverage provided to association members should be subject to underlying regulatory and consumer protection requirements substantially comparable to those applicable to all entities offering similar coverage. In short, associations deserve a real seat at the coverage table, but that table should not have a substantial tilt one way or the other.

No. 2, the current hodgepodge of varying state health insurance regulation should be streamlined, thereby easing administrative and regulatory costs, and facilitating a larger number of plans in more states. Such “harmonization” was among the options put forward last year by the Senate’s Republican Task Force on Health Care Costs and the Uninsured. Under such an approach, states would be encouraged or required to adopt common sets of rules in targeted areas of health insurance regulation, such as rating and underwriting, though State oversight and enforcement authority would remain.

No. 3, individuals and businesses should have the opportunity to purchase lower-cost plans free or largely free of state benefit mandates. Though most purchasers will likely choose fuller coverage, it is important to assure that lower-cost alternatives exist as a safeguard for those who are struggling at the margin. Not everyone needs or wants the same degree of coverage, and where possible, our insurance laws should accommodate this reality.

No. 4, primary responsibility for most insurance oversight and consumer protection should remain with the state insurance commissions—including the right to assess health plans, including association plans. Although some degree of new Federal involvement will likely be necessary, it should be kept to a minimum. Though far from perfect, our State insurance commissions are much closer to the real problems confronted by purchasers of insurance in their communities than would be a federal agency in Washington.

No. 5, the focus of our immediate effort should be on policies that do not

require significant Federal outlays. Many laudable proposals have been put forward by the President and others for tax-based and other financial assistance for the purchase of insurance, and many of these should be pursued with vigor. We should not, however, allow the fiscal challenge of enacting such policies to sidetrack our efforts to advance less costly improvements.

I am open to suggestions, and I am open to compromise—but I am not open to continued inaction.

My intention is for these principles to serve as a foundation for the swift finalization and passage of a health insurance reform package that will deliver real relief to America’s small businesses and struggling families.

I ask unanimous consent that a summary overview of these principles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Foundation Principles
HEALTH INSURANCE REFORM
Senator Mike Enzi

U.S. SENATE HEALTH, EDUCATION, LABOR, AND
PENSIONS COMMITTEE JUNE 2005

Meaningful role for associations, but on a level playing field: Association-based plans should have the opportunity to harness the advantage of independent pooling and play a commercially meaningful role in the coverage marketplace, but provided that the coverage offered to association members is subject to underlying regulatory and consumer protection requirements substantially comparable to those applicable to all entities offering similar coverage.

Associations deserve a real seat at the coverage table, but that table should not have a substantial tilt one way or the other.

Streamlining of regulations: The current hodgepodge of varying state health insurance regulation should be streamlined, thereby easing administrative and regulatory costs, and facilitating a larger number of plans in more states.

Under such an approach, states would be encouraged or required to adopt common sets of rules in targeted areas of health insurance regulation, such as rating and underwriting, though state oversight and enforcement authority would remain.

A version of such “harmonization” was among the options put forward last year by the Senate’s Republican Task Force on Health Care Costs and the Uninsured.

Access to reduced-cost options: Individuals and businesses should have the opportunity to purchase lower-cost coverage free or largely free of state benefit mandates.

Though most purchasers will likely choose fuller coverage, it is important to assure that lower-cost alternatives exist as a safeguard for those who are struggling at the margin.

Not everyone needs or wants the same degree of coverage, and where possible, our insurance laws should accommodate this reality.

Strong state-based consumer protection and oversight: Primary responsibility for most insurance oversight and consumer protection should remain with the states—including the right to assess health plans, including association plans.

Although some new federal involvement may be needed, it should be kept to a minimum.

Though far from perfect, our state insurance commissions are much closer to the

real problems confronted by purchasers of insurance in their communities than would be a federal agency in Washington.

Budget neutrality: The focus of our immediate effort should be on policies that do not require significant federal outlays.

Many laudable proposals have been put forward by the President and others for tax-based and other financial assistance for the purchase of insurance, and many of these should be pursued with vigor.

We should not, however, allow the fiscal challenge of enacting such policies to sidetrack our efforts to advance less costly improvements.

THERE HE GOES AGAIN . . .

Mr. BUNNING. As my good friend and fellow Hall of Famer Yogi Berra once said, “Its deja vu all over again.” Once again, Chairman Greenspan and the Federal Open Market Committee, FOMC, are taking us down an economic path that is fraught with peril by unnecessarily raising interest rates.

Surveys show that Americans are much more worried about filling their gas tank than fitting into their swimsuit this summer, which may be a first. But nonetheless, despite record high energy prices, the Chairman Greenspan continues to raise rates. He is fighting an inflationary boogeyman that does not exist. Meanwhile, there is a very good chance his policies will lead us into the third recession of his tenure and American workers will suffer from his antics.

This reminds me of the summer of 2000, when all signals pointed toward a recession, but Chairman Greenspan refused to cut interest rates. When he finally did cut rates on January 3, 2001, in an emergency meeting after refusing to cut at the FOMC’s regularly scheduled on December 19, 2000, the damage was done. And the recession that was greatly exacerbated by September 11 was already underway.

I am very concerned with the Federal Reserve’s continued raising of interest rates. The Federal Reserve, it seems to me, continues to fix an economy that just is not broken. It is almost as if the Federal Reserve is frightened by success. They are once again throwing a wet blanket on an inflationary fire that does not exist.

As I have said before, I do not believe the Federal Reserve’s economic models are factoring in the impact of new technologies on the economy. They do not account for our increase in productivity. I also do not believe they take into account the psychological effects of higher energy prices. Chairman Greenspan, probably doesn’t have to fill up his own car very often, but families all over Kentucky and across the United States are feeling the sting of record gas prices, and it troubles them greatly.

We are coming to a crucial point in our economy, a point where it can not sustain higher and higher interest rates. As our interest rates rise like helium, our economy will suffer, housing starts will be down, and we will lose